MICA, WASHINGTON 99023 / 509-924-2120

February 7, 1985

Pamala Grubaugh - Littig State of Utah - Natural Resources 4241 State Office Building Salt Lake City, Utah 84114

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and PAM

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DIVISION UF OIL GAS & MINING

This letter is in response to our telephone conversation regarding the status of our mine properties, operating permits and the annual reports (MR-3) requested by your office.

As I mentioned, permit applications for our active mines in the State of Utah were filed with your office in 1977. As part of the application process forms MR-1, Notice of Intention to Commence Mining Operations, MR-2, Mining and Reclamation Plan and MR-8, Commitment to Rule M-10 were completed and filed. As part of this process a couple of variances to specific regulations were requested on our part. The variances were then handled on a site specific basis by your office. Some were allowed, others were not allowed. There is a note in my file at this point stating, that, since all applications had been filed on a timely basis and that all requested variances had now been addressed and resolved, operating permits would soon be issued. Unfortunately that was the end of the correspondence. The permits never were issued.

In the meantime, a number of corporate organizational changes have occured with Interpace and our file should be updated accordingly. The applications were filed in 1977 by Interpace Corporation, a Delaware Corporation, with corporate offices in Parsippany, New Jersey, and a division office in Seattle, Washington. In August 1983 Interpace Corporation was purchased by Clevepak. At this time, we operated under the Interpace Corporation name, but were in fact a wholly owned subsidiary of Clevepak. In October of 1984 a management group headed by Jon Rhine, as President, purchased the holdings and facilities of the Interpace Corporation subsidiary and formed a new corporation known as Interpace Industries, Incorporated. A current list of corporate and operating officers, addresses and phone numbers is included in Attachment "A" for the purpose of updating your files.

Full cycle surface mining and reclamation is not new to Interpace Industries. Our reclamation plans and activities in other states such as Wyoming and Washington have been very successful and we intend to commit similar resources and efforts toward reclamation of our active mines in Utah. Mining operations in Utah, since the filing of the applications, have been conducted, as closely as possible, to the general procedures and policies outlined in our plans. All of our mines operate on an intermittent basis of every second or third year and reclamation work is always included in the budgeting process.

Finally in regard to the annual report (MR-3), per your instructions, we will not complete this form at this time. We will wait for further instructions from your office regarding the permit application process and issuing of permits.

Thank your for your cooperation in this matter.

Sincerely, INTERPACE INDUSTRIES, INC.

George A. Beamer

Product Development Engineer

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Federal I.D. No. 91-1264404

Mailing Address: Box 7201

Woodinville, WA 98072

Corporate Officers	<u>Title</u>	Address
Jon J. Rhine	President	7405 Mercer Terrace Mercer Island, WA 98040
Ronald R. Hayes	Vice President Secretary, Treasurer	3238 N.E. 198th Place Seattle, WA 98155
Howard J. Lobe	Vice President	13321 127th Avenue S.E. Snohomish, WA 98290
Richard A. Conroy	Vice President	12321 101st Court N.E. Kirkland, WA 98033

Harrisville, Utah Plant Pat Patterson - Plant Manager 736 West Harrisville Road Ogden, UT 84404 (801) 782-7933

Mining Operations George Beamer - Product Development Engineer Interpace - Mica Plant Highway 27 Mica, WA 99023 (509) 924-2120